



Nalcor Energy releases its 2008 Business and Financial Report

May 12, 2009 - Nalcor Energy released its Business and Financial Report for the fiscal year ending December 31, 2008. The report was tabled yesterday in the Newfoundland and Labrador House of Assembly by the Minister of Natural Resources, Honourable Kathy Dunderdale. The consolidated financial statements for Newfoundland and Labrador Hydro, a subsidiary of Nalcor Energy, was also tabled.

The 2008 consolidated net income for Nalcor Energy of \$82.2 million increased slightly from \$81.6 million in 2007. This includes an approximate \$11 million reduction to Nalcor's net income in 2008 due to a cable shaft fire at the Churchill Falls Generating Station. In addition, the company's debt to capital ratio for the fiscal year is 56 per cent compared to 65 per cent in 2007, representing an improvement in the company's balance sheet and financial outlook. Nalcor Energy's improved capital structure will be an important factor in facilitating its business objectives including the Lower Churchill Project, wind, oil and gas and other energy investments.

Nalcor Energy received a total equity investment in 2008 of \$177.5 million from its Shareholder, the Government of Newfoundland and Labrador. Of this, \$4.5 million was provided for the Ramea Wind-Hydrogen-Diesel Project, the remaining \$173 million along with other sources of funds was used by Nalcor to finance investments in oil and gas, the Lower Churchill Project and other capital investments.

"This year is highlighted by a number of accomplishments, including the launch of our new name, Nalcor Energy, and a continued focus on safety, environment, business excellence, our people and our communities," said Ed Martin, Nalcor Energy's President and CEO. "We are committed to maintaining a strong financial foundation for our company as we pursue growth opportunities."

Key highlights from 2008 include:

- Nalcor Energy was established as the parent company of five lines of business: Newfoundland and Labrador Hydro, Churchill Falls, Oil and Gas, Lower Churchill Project and Bull Arm Fabrication.
- The company maintained its drive for safety excellence in 2008 for reporting incidents, near misses and safe practices through its Safe Workplace Observation Program. Observations increased by 29 per cent over 2007.



- Nalcor Energy – Oil and Gas Inc. was formed. The company is currently a partner in two developments in the Newfoundland and Labrador offshore – the Hebron oil field and the White Rose Growth Project.
- The Tshash Petapen Agreement (New Dawn) was reached between the province and the Innu Nation addressing the Lower Churchill Impacts and Benefits Agreement.
- Wind power was purchased by Newfoundland and Labrador Hydro from the first commercial wind development in Newfoundland, located in St. Lawrence. The company has agreements to purchase energy produced by two 27 MW wind projects in St. Lawrence and Fermeuse, on the island of Newfoundland.
- Hydro and Newfoundland Power launched a new provincial energy efficiency partnership and brand, takeCHARGE – Saving Energy Starts Here! TakeCHARGE provides Newfoundlanders and Labradorians with information, tools and programs to assist them in using energy wisely.
- The Government of Newfoundland and Labrador announced the transfer of the Bull Arm Site Corporation to Nalcor Energy.

More information, and a copy of the 2008 Nalcor Energy Business and Financial Report, is available online at nalcorenergy.com. Nalcor Energy will provide an overview of the 2008 Business and Financial Report at its first Annual General Meeting (AGM) which will take place in St. John's in June 2009. Additional information on the date and location, as well as how the public can register to attend the AGM will be posted on Nalcor's website later this month.

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About Nalcor Energy

Nalcor Energy's foundation is built on its base business: the generation and transmission of electrical power. Over the past three years, the company has expanded into the broader energy sector, including oil and gas, industrial fabrication, wind energy, and research and development. The company is also leading the development of the province's energy resources, including the lower Churchill hydroelectric development. Nalcor Energy has five lines of business: Newfoundland and Labrador Hydro, Churchill Falls, Oil and Gas, Lower Churchill Project and Bull Arm Fabrication.

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